



February 7, 2003

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## SENATE BILL No. 429

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DIGEST OF SB 429 (Updated February 6, 2003 11:24 AM - DI 102)

**Citations Affected:** IC 33-13; noncode.

**Synopsis:** Judges' retirement benefits. Removes the restriction that prevents a retired judge who receives a state salary for services currently performed from also receiving a retirement benefit.

**Effective:** July 1, 2003.

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**Bray**

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January 21, 2003, read first time and referred to Committee on Pensions and Labor.  
February 6, 2003, reported favorably — Do Pass.

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SB 429—LS 7724/DI 102+



February 7, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## SENATE BILL No. 429

A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 33-13-9.1-4, AS AMENDED BY P.L.194-1999,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2003]: Sec. 4. (a) Benefits provided under this section are  
4 subject to IC 33-13-8-3.5 and section 9 of this chapter.

5 (b) Any participant whose employment as judge by the employer is  
6 terminated, regardless of cause, shall be entitled to a retirement annuity  
7 beginning on the date specified by such participant in a written  
8 application therefor, if all the following conditions are met:

9 (1) The date upon which the annuity begins is not prior to the date  
10 of final termination of employment of such participant, or the date  
11 thirty (30) days prior to the receipt of such application by the  
12 board.

13 (2) The participant:

14 (A) has attained at least the age of sixty-two (62) and has at  
15 least eight (8) years of service credit;

16 (B) is at least fifty-five (55) years of age and the participant's  
17 age in years plus the participant's years of service is at least

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eighty-five (85); or

(C) has become permanently disabled.

~~(3) The participant is not receiving any salary from the state for services currently performed, except for services rendered in the capacity of judge pro tempore or senior judge.~~

(c) The amount of the annual retirement benefit to which a participant who elects to accept retirement after June 30, 1977, and who is at least sixty-five (65) years of age or a participant who elects to accept retirement after June 30, 1999, and who is at least fifty-five (55) years of age and meets the requirements under subsection (b)(2)(B) is entitled equals the product of:

(1) the salary being paid for the office which the participant held at the time of the participant's separation from service; multiplied by

(2) the percentage prescribed in the following table:

TABLE A

Participant's Years of Service	Percentage
8	24%
9	27%
10	30%
11	33%
12	50%
13	51%
14	52%
15	53%
16	54%
17	55%
18	56%
19	57%
20	58%
21	59%
22 or more	60%

If a participant has a partial year of service in addition to at least eight (8) full years of service, an additional percentage shall be calculated by prorating between the applicable percentages, based on the number of months in the partial year of service. The amount of the annual retirement benefit to which a participant who elects to accept retirement before July 1, 1977, is entitled equals the average of the benefit computed under this subsection and the benefit the participant would have received under IC 33-13-8 as in effect on June 30, 1977.

(d) If the annual retirement benefit of a participant who began



1 service as a judge before July 1, 1977, as computed under subsection  
 2 (c), is less than the amount the participant would have received under  
 3 IC 33-13-8 as in effect on June 30, 1977, the participant is entitled to  
 4 receive that greater amount as the participant's annual retirement  
 5 benefit instead of the benefit computed under subsection (c).

6 (e) Except as provided in subsection (b)(2)(B) and subsection (c),  
 7 if a participant who elects to accept retirement after June 30, 1977, has  
 8 not attained age sixty-five (65) years, the participant is entitled to  
 9 receive a reduced annual retirement benefit which equals the benefit  
 10 which would be payable if the participant were age sixty-five (65)  
 11 reduced by one-tenth percent (0.1%) for each month that the  
 12 participant's age at retirement precedes the participant's sixty-fifth  
 13 birthday. This reduction does not apply to:

- 14 (1) participants who are separated from service because of
- 15 permanent disability;
- 16 (2) survivors of participants who die while in service after August
- 17 1, 1992; or
- 18 (3) survivors of participants who die while not in service but
- 19 while entitled to a future benefit.

20 (f) The amount of the annual benefit to which a participant who has  
 21 become permanently disabled is entitled equals the product of:

- 22 (1) the salary being paid for the office which the participant held
- 23 at the time of separation from service; multiplied by
- 24 (2) the percentage prescribed in the following table:

25 TABLE B

26 Participant's Years	Percentage
27 of Service	
28 0-12	50%
29 13	51%
30 14	52%
31 15	53%
32 16	54%
33 17	55%
34 18	56%
35 19	57%
36 20	58%
37 21	59%
38 22 or more	60%

39 If a participant has a partial year of service in addition to at least eight  
 40 (8) full years of service, an additional percentage shall be calculated by  
 41 prorating between the applicable percentages, based on the number of  
 42 months in the partial year of service.



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(g) The surviving spouse or surviving child or children, as designated by the participant, of any participant who has qualified before July 1, 1977, to receive the retirement annuity under the provisions of this chapter, either by length of service or by being permanently disabled, shall, upon the death of such participant, be entitled to an annuity in an amount equal to the greater of:

(1) the sum of:

(A) two thousand dollars (\$2,000); plus

(B) fifty percent (50%) of the amount of retirement annuity the participant was drawing at the time of the participant's death, or to which the participant would have been entitled had the participant retired and begun receiving retirement annuity benefits prior to the participant's death; or

(2) the amount determined under the following table:

TABLE C

Year	Amount
July 1, 1995, to June 30, 1996	\$10,000
July 1, 1996, to June 30, 1997	\$11,000
July 1, 1997, and thereafter	\$12,000

(h) If a participant who qualifies after June 30, 1977, and before July 1, 1983, to receive a retirement annuity under the provisions of this chapter, either by length of service or by being permanently disabled, dies, the participant's surviving spouse or surviving child or children, as designated by the participant, is entitled to an annuity in an amount equal to the greater of:

(1) fifty percent (50%) of the amount of retirement annuity the participant was drawing at the time of death, or to which the participant would have been entitled had the participant retired and begun receiving retirement annuity benefits before death; or

(2) the amount determined under TABLE C in subsection (g)(2).

(i) If a participant:

(1) dies after June 30, 1983; and

(2) on the date of the participant's death:

(A) was receiving benefits under this chapter;

(B) had completed at least eight (8) years of service and was in service as a judge;

(C) was permanently disabled; or

(D) had completed at least eight (8) years of service, was not still in service as a judge, and was entitled to a future benefit;



the participant's surviving spouse or surviving child or children, as designated by the participant, is entitled, regardless of the participant's age, to an annuity in an amount equal to the greater of the amount determined under TABLE C in subsection (g)(2) or fifty percent (50%) of the amount of retirement annuity the participant was drawing at the time of death, or to which the participant would have been entitled had the participant retired and begun receiving retirement annuity benefits on the participant's date of death, with reductions as necessary under subsection (e).

(j) Notwithstanding subsection (i), if a participant:

(1) died after June 30, 1983, and before July 1, 1985; and

(2) was serving as a judge at the time of death;

the surviving spouse is entitled to the same retirement annuity as the surviving spouse of a permanently disabled participant entitled to benefits under subsection (h).

(k) The annuity payable to a surviving child or children under subsection (g), (h), or (i) is subject to the following:

(1) The total monthly benefit payable to a surviving child or children is equal to the same monthly annuity that was to have been payable to the surviving spouse.

(2) If there is more than one (1) child designated by the participant, then the children are entitled to share the annuity in equal monthly amounts.

(3) Each child entitled to an annuity shall receive that child's share until the child becomes eighteen (18) years of age or during the entire period of the child's physical or mental disability, whichever period is longer.

(4) Upon the cessation of payments to one (1) designated child, if there is at least one (1) other child then surviving and still entitled to payments, the remaining child or children shall share equally the annuity. If the surviving spouse of the participant is surviving upon the cessation of payments to all designated children, the surviving spouse will then receive the annuity for the remainder of the spouse's life.

(5) The annuity shall be payable to the participant's surviving spouse if any of the following occur:

(A) No child named as a beneficiary by a participant survives the participant.

(B) No children designated by the participant are entitled to an annuity due to their age at the time of death of the participant.

(C) A designation is not made.

(6) An annuity payable to a surviving child or children may be

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1 paid to a trust or a custodian account under IC 30-2-8.5,  
 2 established for the surviving child or children as designated by the  
 3 participant.

4 SECTION 2. IC 33-13-10.1-6, AS AMENDED BY P.L.194-1999,  
 5 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2003]: Sec. 6. Any participant whose employment as judge is  
 7 terminated is entitled to a retirement benefit computed under section  
 8 7 of this chapter, beginning on the date specified by the participant in  
 9 a written application, if all of the following conditions are met:

10 (1) The date upon which the benefit begins is not before the date  
 11 of final termination of employment of the participant or the date  
 12 thirty (30) days before the receipt of the application by the board.

13 (2) The participant:

14 (A) has attained at least the age of sixty-two (62) and has at  
 15 least eight (8) years of service credit;

16 (B) is at least fifty-five (55) years of age and the participant's  
 17 age in years plus the participant's years of service is at least  
 18 eighty-five (85); or

19 (C) has become permanently disabled.

20 (3) The participant is not receiving any salary from the state for  
 21 services currently performed, except for services rendered in the  
 22 capacity of judge pro tempore or senior judge.

23 SECTION 3. [EFFECTIVE JULY 1, 2003] IC 33-13-9.1-4, as  
 24 amended by this act, applies to participants in the judges 1977  
 25 retirement, disability, and death benefit system who retired before  
 26 July 1, 2003, and to participants in the judges 1977 retirement,  
 27 disability, and death benefit system who retire after June 30, 2003.  
 28 However, IC 33-13-9.1-4, as amended by this act, applies only to  
 29 benefits first payable after June 30, 2003.

30 SECTION 4. [EFFECTIVE JULY 1, 2003] IC 33-13-10.1-6, as  
 31 amended by this act, applies to participants in the judges 1985  
 32 retirement, disability, and death benefit system who retired before  
 33 July 1, 2003, and to participants in the judges 1985 retirement,  
 34 disability, and death benefit system who retire after June 30, 2003.  
 35 However, IC 33-13-10.1-6, as amended by this act, applies only to  
 36 benefits first payable after June 30, 2003.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 429, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 429 as introduced.)

HARRISON, Chairperson

Committee Vote: Yeas 9, Nays 0.

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